



Request for City Council Committee Action from the Department of Public Works

Date: October 22, 2013

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

**Subject: Public Hearing: Nongovernmental Tax Exempt Parcel Street
Maintenance Assessments**

Recommendation:

Passage and summary publication of a resolution adopting the assessments in the amount of \$545,901 for 2014, levying the assessment, adopting the assessment roll, and directing the City clerk to transmit a certified copy of the assessment roll to the Hennepin County Auditor.

Previous Directives:

September 24, 2013 - Set a public hearing for October 22nd.

Department Information:

Prepared by: Suzette R Hjermstad, Supervisor, Special Assessment Office, 673-2401

Don Elwood, P.E., Director, Transportation Planning & Engineering

Approved by: _____

Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Brette Hjelle, Director, PW Administrative Services

Financial Impact

- Other financial impact: Special assessments against benefited properties

Supporting Information

Background

Minneapolis has been assessing nongovernmental tax exempt parcels for street light operations and street maintenance services since 1974. In 2009, the City Council approved updates to these assessments. The update included the following changes:

1. Changing from front footage to the influence area method to determine assessable area.
2. Updating assessment rates to reflect current costs of street maintenance and street lighting services.
3. Updating list of eligible properties.

Methodology

The assessment is applied to properties via a uniform assessment rate using the influence area method. The influence area method calculates the assessable area and is expressed in terms of square footage. This is the method currently used for street and street light capital construction projects.

The assessment rate is determined by dividing the street maintenance budget by the citywide assessable square footage.

$\$14,959,775 / 764,437,240/\text{sq. ft.} = \$0.01957/\text{sq. ft.}$

The City Council directed the street maintenance assessment be phased in over three years, 2010 through 2012. The rate applied to parcels for payable 2014 assessments is \$0.01957, the full amount of the originally proposed rate.

The assessment for a single parcel is calculated by multiplying the parcel's assessable area, rounded to the nearest square foot, by the assessment rate, and rounding the result to the nearest whole dollar amount. The minimum assessment amount is \$1.00/year.

Assessment Results

There are 1,280 eligible parcels on the payable 2014 assessment roll. For street maintenance assessments, the median (middle value) assessment for these properties is \$187/year and the mean (average) assessment is \$418/year.

Public Hearing

Per the November 13, 2009 City Council action, the street maintenance assessment on nongovernmental tax exempt parcels was phased in over three years. The payable 2012 assessment rate was the full originally proposed rate. The street maintenance assessment rate has not changed since then. Therefore, public hearing notices were only sent to properties that are either eligible for the assessment for the first time (i.e. the parcel was taxable last year and is tax exempt this year) or the parcel had property line changes in the past year that increased the assessable area and therefore increased the assessment.

64 nongovernmental tax exempt parcels received a public hearing notice for the street maintenance assessment public hearing.

T&PW – Your Committee recommends passage and summary publication of the accompanying Resolution adopting the assessments, levying the assessments and adopting the assessment roll for the 2014 Street Maintenance Assessment, Project 1337M.

Colvin Roy

**Adopting the assessments, levying the assessments and adopting the assessment roll
for the 2014 Street Maintenance Assessment, Project 1337M.**

Whereas, a public hearing was held on October 22, 2013 in accordance with the provision of Laws 1969, Ch 499, as amended by Laws 1994, Ch 587, Art 9, Laws 1973, Ch 393, as amended by Laws 1974, Ch 153 and Laws 2008, Ch 154, and the procedures set out at Minn. Stat. Section 429.061, to consider the proposed assessments as shown on the proposed assessment roll on file in the Office of the City Clerk and to consider all written and oral objections and statements regarding this matter;

Now, Therefore, Be It Resolved by the City Council of the City of Minneapolis:

That the proposed assessments in the total amount of \$545,901 for the 2014 Street Maintenance Assessment, Project 1337M as prepared by the City Engineer, an on file in the Office of the City Clerk, be and hereby are adopted and levied against the benefited properties;

Be It Further Resolved that the assessments be collected in their entirety on the 2014 real estate tax statements;

Be It Further Resolved that the City Clerk is hereby directed to transmit certified copies of said assessment roll to the Hennepin County Auditor.